

Bureau of Land Management, Interior

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§ 3141.4-2 Consultation with others.

(a) Where the surface is administered by an agency other than the Bureau of Land Management, including lands patented or leased under the provisions of the Recreation and Public Purposes Act, as amended (43 U.S.C. 869 *et seq.*), all leasing under this subpart shall be in accordance with the consultation requirements of subpart 3100 of this title.

(b) The issuance of combined hydrocarbon leases within units of the National Park System shall be allowed only where mineral leasing is permitted by law and where the lands are open to mineral resource disposition in accordance with any applicable Minerals Management Plan. In order to consent to any issuance of a combined hydrocarbon lease or subsequent development of combined hydrocarbon resources within a unit of National Park System, the Regional Director of the National Park Service shall find that there will be no resulting significant adverse impacts to the resources and administration of the unit or other contiguous units of the National Park System in accordance with § 3109.2 (b) of this title.

[48 FR 7422, Feb. 18, 1983, as amended at 55 FR 12351, Apr. 3, 1990]

§ 3141.5 Leasing procedures.

§ 3141.5-1 Economic evaluation.

Prior to any lease sale, the authorized officer shall request an economic evaluation of the total hydrocarbon resource on each proposed lease tract exclusive of coal, oil shale or gilsonite.

§ 3141.5-2 Term of lease.

Combined hydrocarbon leases shall have a primary term of 10 years and shall remain in effect so long thereafter as oil or gas is produced in paying quantities.

§ 3141.5-3 Royalties and rentals.

(a) The royalty rate on all combined hydrocarbon leases is 12½ percent of the value of production removed or sold from a lease. The Minerals Management Service shall be responsible for collecting and administering royalties.

(b) The lessee may request the Secretary to reduce the royalty rate applicable to tar sand prior to commencement of commercial operations in order to promote development and maximum production of the tar sand resource in accordance with procedures established by the Bureau of Land Management and may request a reduction in the royalty after commencement of commercial operations in accordance with § 3103.4-1 of this title.

(c) The rental rate for a combined hydrocarbon lease shall be \$2 per acre per year, and shall be payable annually in advance.

(d) Except as explained in paragraphs (a), (b), and (c) of this section, all other provisions of §§ 3103.2 and 3103.3 of this title apply to combined hydrocarbon leasing.

[48 FR 7422, Feb. 18, 1983, as amended at 55 FR 12351, Apr. 3, 1990]

§ 3141.5-4 Lease size.

Combined hydrocarbon leases shall not exceed 5,120 acres.

§ 3141.5-5 Dating of lease.

A combined hydrocarbon lease shall be effective as of the first day of the month following the date the lease is signed on behalf of the United States, except that where prior written request is made, a lease may be made effective on the first of the month in which the lease is signed.

§ 3141.6 Sale procedures.

§ 3141.6-1 Initiation of competitive lease offering.

The Bureau of Land Management may, on its own motion, offer lands through competitive bidding. A request or expression(s) of interest in tract(s) for competitive lease offerings shall be submitted in writing to the proper BLM office.

§ 3141.6-2 Publication of a notice of competitive lease offering.

Where a determination to offer lands for competitive leasing is made, a notice shall be published of the lease sale in the FEDERAL REGISTER and a newspaper of general circulation in the area in which the lands to be leased are located. The publication shall appear

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once in the FEDERAL REGISTER and at least once a week for 3 consecutive weeks in a newspaper, or for other such periods deemed necessary. The notice shall specify the time and place of sale, the manner in which the bids may be submitted; the description of the lands; the terms and conditions of the lease, including the royalty and rental rates; the amount of the minimum bid; and shall state that the terms and conditions of the leases are available for inspection and designate the proper BLM office where bid forms may be obtained.

[48 FR 7422, Feb. 18, 1983, as amended at 55 FR 12351, Apr. 3, 1990]

§ 3141.6-3 Conduct of sales.

(a) Competitive sales shall be conducted by the submission of written sealed bids.

(b) Minimum bids shall be not less than \$25 per acre.

(c) In the event that only 1 sealed bid is received and it is equal to or greater than the minimum bid, that bid shall be considered the highest bid.

(d) The authorized officer may reject any or all bids.

(e) The authorized officer may waive minor deficiencies in the bids or the lease sale advertisement.

(f) A bid deposit of one-fifth of the amount of the sealed bid shall be required and shall accompany the sealed bid. All bid deposits shall be in the form of either a certified check, money order, bank cashier's check or cash.

§ 3141.6-4 Qualifications.

Each bidder shall submit with the bid a statement over the bidder's signature with respect to compliance with subpart 3102 of this title.

§ 3141.6-5 Fair market value.

Only those bids which reflect the fair market value of the tract(s) as determined by the authorized officer shall be accepted; all other bids shall be rejected.

§ 3141.6-6 Rejection of bid.

If the high bid is rejected for failure by the successful bidder to execute the lease forms and pay the balance of the bonus bid, or otherwise to comply with

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the regulations of this subpart, the one-fifth bonus accompanying the bid shall be forfeited.

§ 3141.6-7 Consideration of next highest bid.

The Department reserves the right to accept the next highest bid if the highest bid is rejected. In no event shall an offer be made to the next highest bidder if the difference between his/her bid and that of the rejected successful bidder is greater than the one-fifth bonus forfeited by the rejected successful bidder.

[55 FR 12351, Apr. 3, 1990]

§ 3141.7 Award of lease.

After determining the highest responsible qualified bidder, the authorized officer shall send 3 copies of the lease on a form approved by the Director, and any necessary stipulations, to the successful bidder. The successful bidder shall, not later than the 30th day after receipt of the lease, execute the lease, pay the balance of the bid and the first year's rental, and file a bond as required in subpart 3104 of this title. Failure to comply with this section shall result in rejection of the lease.

Subpart 3142—Paying Quantities/ Diligent Development

SOURCE: 51 FR 7276, Mar. 3, 1986, unless otherwise noted.

§ 3142.0.1 Purpose.

This subpart provides definitions and procedures for meeting the production in paying quantities and the diligent development requirements for tar sand in all combined hydrocarbon leases.

§ 3142.0-3 Authority.

These regulations are issued under the authority of the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 *et seq.*), the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351-359), the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 *et seq.*) and the Combined Hydrocarbon Leasing Act of 1981 (95 Stat. 1070).